

# HOPE ACADEMY

## 2012-2013 Performance Analysis

### Core Question 2: Is the organization effective and well-run?

2.1. Is the school in sound fiscal health?	
<b>STANDARD</b>	<b>2.1-1: The school demonstrates satisfactory performance in all areas identified: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default</b> <b>2.1-2: The school demonstrates satisfactory performance in all areas identified: 3 Year Aggregate Net Income, Debt to Asset Ratio, and Debt Service Coverage Ratio</b> <b>2.1-3: The school does not present concerns in the financial audit or financial reporting requirements</b>

### 2012-13 2.1-1 Performance: **Does Not Meet Standard**

Indicator	Ratio	Measures	Rating	2012-13	2012-13
2.1 Short Term Health	Enrollment Variance Ratio	Enrollment Ratio equals or exceeds 99%	<b>Meets Standard</b>	63%	Does Not Meet
		Enrollment Ratio is between 90% - 98%	<b>Approaching Standard</b>		
		Enrollment Ratio is less than or equal to 89%	<b>Does Not Meet Standard</b>		
	Current Ratio	Current Ratio equals or exceeds 1.1	<b>Meets Standard</b>	0.08	
		Current Ratio is between 1.0 - 1.1	<b>Approaching Standard</b>		
		Current Ratio is less than or equal to 1.0	<b>Does Not Meet Standard</b>		
	Days Cash On Hand	Days cash on hand equals or exceeds 45	<b>Meets Standard</b>	4	
		Days cash on hand is between 30-45 days	<b>Approaching Standard</b>		
		Days cash on hand is less than or equal to 30 days	<b>Does Not Meet Standard</b>		
	Debt Default Evidence	Not in default or delinquent	<b>Meets Standard</b>	Meets	
Default or delinquent		<b>Does Not Meet Standard</b>			

Hope Academy **did not meet** standard for core question 2.1-1 for the 2012-13 school year. Based on data from the September 2012 count day, the school did not meet the enrollment targets stated in its charter agreement. It should be noted, however, that Hope Academy intentionally set its chart targeted enrollment higher than the number of students it expects to enroll. This is because the school wanted to ensure that it had spaces available in the event that it

received an unexpected influx of students in its target population-adolescents recovering from substance abuse. Though there was mutual understanding as to why the school's performance against its charter targeted enrollment appeared as it did, the school did not meet standard for this sub-indicator. The school had fewer current assets than current liabilities (those due in the next 12 months) and as a result did not meet standard for this sub-indicator. Hope Academy ended the year with 4 days of cash on hand. This means that if payments to the school had stopped or been delayed post June 30, 2013, the school would have been able to operate for 4 more days. As a result, the school did not meet standard for this indicator. Finally, the school successfully met its debt obligations based on the information that Blue and Company, the school's auditor, provided. The school's creditors did not provide any communication to indicate anything to the contrary. Since the school did not meet standard for three out of four of the sub-indicators, it did not meet standard for core question 2.1-1.

**2012-13 2.1-2 Performance: Does Not Meet Standard**

2.2 Long Term Health	3 Year Aggregate Net Income	Aggregate 3 year Net Income is positive and most recent year is positive	<b>Meets Standard</b>	<a href="#">NA</a>	Does Not Meet
		Aggregate 3 year Net Income is positive and most recent year is negative	<b>Approaching Standard</b>		
	Net Income	Aggregate 3 year Net Income is negative	<b>Does Not Meet Standard</b>	- \$256,526.00	
	Debt to Asset	Debt to asset ratio is less than or equal to 0.9	<b>Meets Standard</b>	4.34	
		Debt to asset ratio is between 0.9 - 0.95	<b>Approaching Standard</b>		
		Debt to asset ratio equals or exceeds 0.95	<b>Does Not Meet Standard</b>		
	Debt Service Coverage (DSC) Ratio	DSC ratio equals or exceeds 1.15	<b>Meets Standard</b>	<a href="#">NA</a>	
		DSC ratio is between 1.05-1.15	<b>Approaching Standard</b>		
		DSC Ratio is less than or equal to 1.05	<b>Does Not Meet Standard</b>		

The school **did not meet** standard for core question 2.1-2. The school did not meet standard for the net income sub-indicator in that it generated a negative net income for the fiscal year. It is important to note that this negative net income includes a non-cash gain of \$88,010 as a result of the Common School Loan forgiveness. Additionally, the school did not meet standard for the sub-indicator regarding debt to asset ratio. The school's debts exceeded its assets. Finally, the

school had no long-term liabilities. Therefore, it was not necessary to calculate the debt service coverage ratio. Since the school did not meet standard for either of the two applicable sub-indicators, it did not meet standard for core question 2.1-2.

**2012-13 2.1-3 Performance: Meets Standard**

2.3 Reporting Requirements	Annual Independent Accrual Based Audit	Receives a clean audit opinion	<b><i>Meets Standard</i></b>	Meets	Meets
		Receives a clean audit opinion with a few significant deficiencies noted but no material weaknesses	<b><i>Approaching Standard</i></b>		
		Receives an audit with multiple significant deficiencies, material weakness or is a going concern	<b><i>Does Not Meet Standard</i></b>		
	Financial Reporting Requirements	Satisfies all financial reporting requirements	<b><i>Meets Standard</i></b>	Meets	
		Fails to satisfy financial reporting requirements	<b><i>Does Not Meet Standard</i></b>		

The school **met** standard for core question 2.1-3. The school met standard for its annual accrual based audit because it received a clean audit report with no material weaknesses or significant deficiencies. The school met standard for all of its reporting requirements, and the school's auditors issued their report December 30, 2013.

<b>2.2. Are the school's student enrollment, attendance, and retention rates strong?</b>	
<b>STANDARD</b>	<b>The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school's agreed-upon target rates.</b>

**2012-13 Performance: Does Not Meet Standard**

Hope Academy did not meet its enrollment target for 2011-12. The following chart displays the school's target enrollment compared with its official fall enrollment, as reported by the IDOE. While the school did not meet its charter targeted enrollment, it is important to note that the school has intentionally set its target higher than it expects to land in the event that 60 young people in the community who need the type of environment the school is able to provide choose to attend the school.

Year	Target Enrollment	Fall Enrollment	Percent Below
2012-13	60	37	38.4%

**Source:** Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school's charter agreement with the Mayor's Office, submitted by the school.

The 2012-13 the attendance rate at HA was below the average of the state and county.

	HA	MC	IN
<b>2012-13 Attendance rate</b>	92.6%	95.7%	95.8%

No targets have been established for student retention rates for HA.

Based on the 2012-13 performance Hope Academy **did not meet** the Mayor's Office standard for this indicator because they were not fully enrolled, and had an attendance rate that was lower than both the county and state.

<b>2.3. Is the school's Board active and competent in its oversight?</b>	
<b>STANDARD</b>	<b>The board's membership collectively contributes a broad skill set and fair representation of the community; board members are knowledgeable about the school; roles and responsibilities of the board are clearly delineated; board meetings reflect thoughtful discussion and progress in the consideration of issues; overall, the board provides consistent and competent stewardship of the school.</b>

#### 2012-13 Performance: **Meets standard**

The Hope Academy board was experienced and provided competent oversight of the school. The board was comprised of members that represented a broad skill set and reflected the community. In addition, board members had extensive knowledge about the school and the unique mission of Hope Academy. Board membership remained relatively stable with some members also serving on the Fairbanks Foundation Board and proactively participating in committees on the Fairbanks board that work to support the school. There was mission alignment between the board and the school leadership, and the board had a positive working relationship with Gale Stone, the school leader. The board chair, Ms. Marissa Manlove, ended her tenure as chair at the end of her term limit this year, but that did not impact the board as there was a clear succession plan in place for Thomas D. Weede to assume the role. Mr. Weede brought a wealth of education experience, specifically higher-education. The other vacancies were the result of board member term limits and were quickly filled to ensure minimal disruption to board operations and oversight.

The board chair, Ms. Marissa Manlove, provided stable leadership and was deeply committed Hope Academy's mission of "providing opportunities for academic achievement, sobriety and personal growth for students and their families." The chair was engaged and even participated in charter compliance meetings to ensure she was current on policies, procedures, and reporting requirements. Ms. Manlove took pride in promoting the successes of the school and worked well with Ms. Stone. They were in continuous contact to ensure that Ms. Manlove was fully aware of what is happening at the school and also communicated with Fairbanks Foundation board representation.

The board consistently made quorum at bi-monthly meetings and actively engaged in oversight of the school. The board also worked well with the Fairbanks Foundation in making key decisions particularly in the area of finance and members engaged in thoughtful discussion during meetings to ensure clear alignment. The board engaged in a process of continuous improvement in that they made a concerted effort to stay informed of the latest research and best practices concerning addiction recovery. Members were deeply committed to ensuring their oversight of Hope Academy ensured that students were receiving vital services as well as a high quality education. Accordingly for the 2012-13 school year, Hope Academy **met standard** on this Mayor's Performance Framework indicator.

<b>2.4. Is there a high level of parent satisfaction with the school?</b>	
<b>STANDARD</b>	<b>More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.</b>

**2012-13 Performance: Meets Standard**

In the spring of each year, researchers administer anonymous surveys to the parents of students enrolled in Mayor-sponsored charter schools. In 2012-13, 87% of Hope Academy parents who responded were satisfied or very satisfied with the school. Based on this data, the school **met** the Mayor's Office standard.

<b>2.5. Is the school administration strong in its academic and organizational leadership?</b>	
<b>STANDARD</b>	<b>The school's administration a) has sufficient academic and organizational expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among administrators; d) actively engages in a process of continuous improvement and mid-course corrections; e) has established high expectations for all stakeholders – staff, students, and parents; f) has organized operations and secured necessary resources to effectively implement the mission of the school; g) ensures the school achieves strong academic and operational performance; and h) has developed a plan for succession for administrators and staff.</b>

**2012-13 Performance: Meets Standard**

Upon the conclusion of the 2012-13 school year, the school leader had been in place for five years. The school leader, along with the COO and CFO, defined their roles in such a way that allowed her to focus on her role as the academic leader and collaborate as necessary on operational task. The team strived to make continuous improvements. From an operational standpoint, this has meant working with Fairbanks to make changes to the way in which adolescent recruitment is conducted.

2.6. Is the school meeting its school-specific organizational and management performance goals?	
Meets standard	School has clearly met its school-specific organizational goal.

**Not Evaluated.** Hope Academy did not have school-specific organizational and management performance goals to be evaluated for 2012-13.